

AMENDED IN SENATE JUNE 8, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 115

Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Allen, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)

January 10, 2011

An act relating to the Budget Act of 2011. An act to amend Section 16965 of, and to add Sections 16965.1 and 63048.67 to, the Government Code, to amend Sections 167 and 2103 of the Streets and Highways Code, to amend Sections 2413 and 9400.4 of the Vehicle Code, and to amend Section 38 of Chapter 6 of the Statutes of 2011, relating to transportation, making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 115, as amended, Committee on Budget. ~~Budget Act of 2011. Transportation.~~

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2011.~~

(1) Existing law provides for the payment of current year general obligation bond debt service for specified voter-approved transportation bonds from various revenues deposited in the Transportation Debt Service Fund, including revenues from vehicle weight fees in the State Highway Account that are subject to expenditure restrictions by Article XIX of the California Constitution. Beginning in fiscal year 2012–13, existing law requires all weight fee revenues to be transferred to the Transportation Debt Service Fund for this purpose.

This bill would expand the use of weight fee revenues and other revenues deposited in the Transportation Debt Service Fund by authorizing their use to redeem or defease transportation bonds maturing in a subsequent fiscal year, as directed by the Director of Finance, and would make an appropriation in this regard.

(2) Existing law provides for loans to the General Fund of certain State Highway Account revenues subject to expenditure restrictions under Article XIX of the California Constitution, with specified repayment dates. Specifically, a loan of \$80,000,000 from the State Highway Account is to be repaid by June 30, 2014, a loan of \$147,000,000 from the State Highway Account is to be repaid by June 30, 2014, and a proposed loan of \$43,700,000 in SB 69 from the State Highway Account is to be repaid by June 30, 2015.

This bill would eliminate the current repayment dates for these loans and instead provide for their repayment by June 30, 2021. The bill would provide for the Director of Finance to repay any portion of these loans to the State Highway Account if the director determines that those revenues are needed to reimburse the General Fund for debt service on general obligation transportation bonds, and would then require the Controller to immediately transfer those revenues from the State Highway Account to the Transportation Debt Service Fund, and subsequently to the General Fund, for that purpose. The bill would characterize the revenue in the State Highway Account that was used to make the above-referenced loans as vehicle weight fee revenue.

(3) Existing law provides for a loan from the Public Transportation Account to the General Fund of \$29,081,000 from revenues subject to expenditure restrictions under Article XIX A of the California Constitution, to be repaid by June 30, 2014.

This bill would eliminate the current repayment date for this loan and instead provide for repayment by June 30, 2021.

(4) Existing law provides for the sale of Indian gaming compact assets by the California Infrastructure and Economic Development Bank, with net proceeds from the sale to be made available for various purposes, including repayment of a loan of \$443,000,000 made to the General Fund from the State Highway Account through the Traffic Congestion Relief Fund.

This bill would characterize the source of the revenue in the State Highway Account that was used to make the above-referenced loan as vehicle weight fee revenue. The bill, at the time the loan is repaid from the sale of Indian gaming compact assets to the State Highway Account,

would require the Controller to transfer the funds from the State Highway Account to the Transportation Debt Service Fund for subsequent transfer to the General Fund for debt service on general obligation transportation bonds to redeem or defease applicable bonds, or for loans to the General Fund, as described above.

(5) Existing law provides for a loan from fuel excise tax revenues subject to expenditure restrictions by Article XIX of the California Constitution from the Highway Users Tax Account to the General Fund, to be repaid by June 30, 2013. These revenues were loaned to the General Fund prior to adoption of Proposition 22 by voters on November 2, 2010, which, among other things, imposes new restrictions on the use of fuel excise tax revenues, including a prohibition on the borrowing of revenues in the Highway Users Tax Account.

This bill would instead provide for this loan to be repaid to the Highway Users Tax Account by June 30, 2021.

(6) Existing law provides for a loan of vehicle weight fees to the General Fund in the 2010–11 fiscal year, subsequent to voter approval of Proposition 22, in lieu of fuel excise tax revenues that are prohibited from being loaned after November 2, 2010, with \$205,081,000 to be repaid to the State Highway Account by June 30, 2014, \$144,444,000 to be repaid by June 30, 2015, and any remaining loan balance to be repaid by June 30, 2016.

This bill would instead provide for these loans to be repaid by June 30, 2021. The bill would provide for the Director of Finance to repay the outstanding balances of these loans in any year in which the director determines that the funds are needed to reimburse the General Fund for current debt service on transportation general obligation bonds or to redeem or defease those bonds maturing in a subsequent fiscal year, thereby providing for an indefinite loan of these revenues to the General Fund. Upon repayment of those loans to the State Highway Account, the bill would require the Controller to immediately transfer those funds to the Transportation Debt Service Account.

(7) Existing law designates the Commissioner of the California Highway Patrol as the Statewide Vehicle Theft Investigation and Apprehension Coordinator and authorizes the commissioner to establish vehicle theft prevention, investigation, and apprehension programs and to assist local, state, and federal law enforcement agencies in combating vehicle theft.

Existing law requires the commissioner to submit a report to the Legislature, no later than 90 days following the end of the fiscal year,

accounting for funds received and disbursed from the Motor Vehicle Account for the purposes of preventing and enhancing investigative efforts to deter economic automobile theft.

This bill would authorize the Department of the California Highway Patrol to retain license plate data captured by a license plate reader (LPR) for not more than 60 days unless the data is being used as evidence or for investigation of felonies. The bill would prohibit the department from selling the data or from making the data available to an agency that is not a law enforcement agency or an individual that is not a law enforcement officer. The bill would authorize the use of the data for purposes of locating vehicles or persons reasonably suspected of being involved in the commission of a public offense. The bill would require the department to monitor internal use of the data to prevent unauthorized use and to submit to the Legislature, as a part of the annual automobile theft report, information on the department's LPR practices and usage.

(8) Existing law imposes certain reporting requirements on the High-Speed Rail Authority with respect to 25% of funds appropriated to the authority in the 2010 and 2011 Budget Acts, with reports to be submitted to the Joint Legislative Budget Committee.

This bill would instead provide that 50% of the funds appropriated to the authority are subject to these reporting requirements. The bill would also add additional reporting requirements.

(9) Existing law requires a specified portion of the state sales tax on gasoline, which has been abolished as of July 1, 2010, to be transferred from the General Fund to the Transportation Investment Fund for allocation to the state transportation improvement program, city and county streets and roads, and the Public Transportation Account. In order for a city or a county to receive a streets and roads allocation from the Transportation Investment Fund for a fiscal year, it is required to annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund for those purposes during the 1996–97, 1997–98, and 1998–99 fiscal years. Existing law provides that if a city or county fails to comply with this maintenance of effort requirement in a particular fiscal year, it may alternatively comply by expending in that year and the following fiscal year a combined total amount that is not less than the amount otherwise required to be expended in the 2 fiscal years. Existing law, notwithstanding these provisions, provides that the County of Fresno has until June 30, 2015, to meet the maintenance of

effort requirement applicable to the allocation it received in the 2009–10 fiscal year.

This bill would enact similar relief for the City of Santa Rosa. This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Santa Rosa.

(10) Existing law requires the Department of Transportation to annually submit to the Legislature certain supplemental information to substantiate the department’s proposed capital outlay budget.

This bill would include additional items to be included in that submittal and make other related changes.

(11) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16965 of the Government Code is
2 amended to read:
3 16965. (a) The Transportation Debt Service Fund is hereby
4 created in the State Treasury. Moneys in the fund shall, among
5 other things, as provided in this section, be dedicated to payment
6 of debt service on bonds, *or to redeem or defease bonds, pursuant*
7 *to Section 16774, maturing in a subsequent fiscal year,* including
8 bonds issued pursuant to the Clean Air and Transportation
9 Improvement Act of 1990 (Part 11.5 (commencing with Section
10 99600) of Division 10 of the Public Utilities Code), the Passenger
11 Rail and Clean Air Bond Act of 1990 (Chapter 17 (commencing
12 with Section 2701) of Division 3 of the Streets and Highways
13 Code), the Seismic Retrofit Bond Act of 1996 (Chapter 12.48
14 (commencing with Section 8879) of Division 1 of Title 2), the
15 Highway Safety, Traffic Reduction, Air Quality, and Port Security
16 Bond Act of 2006 (Chapter 12.49 (commencing with Section
17 8879.20) of Division 1 of Title 2), and the Safe, Reliable
18 High-Speed Passenger Train Bond Act for the 21st Century
19 (Chapter 20 (commencing with Section 2704) of Division 3 of the
20 Streets and Highways Code). If the moneys in the fund are
21 insufficient to pay the balance of the debt consistent with existing
22 obligations, the General Fund will be used to pay the balance of
23 any debt service.

~~(b) From moneys transferred to the fund pursuant to an annual Budget Act or other statute from the State Highway Account in the State Transportation Fund, the Controller shall transfer as an expenditure reduction to the General Fund any amount necessary to offset the cost of current year debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures consistent with Article XIX of the California Constitution.~~

~~(e)~~

~~(b) From moneys transferred to the fund pursuant to Section 2103 of the Streets and Highways Code and subdivisions subdivision (a) and, (b), or (c) of Section 9400.4 of the Vehicle Code, or pursuant to Section 16965.1 or 63048.67, the Controller shall transfer as an expenditure reduction to the General Fund any amount necessary to offset the cost of current year debt service payments made from the General Fund on any bonds issued pursuant to Proposition 192 (1996) and three-quarters of the amount of current year debt service payments made from the General Fund on any bonds issued pursuant to Proposition 1B (2006). These funds may also be used to redeem or defease the applicable bonds, pursuant to Section 16774, maturing in a subsequent fiscal year as directed by the Director of Finance.~~

~~(d)~~

~~(c) From moneys transferred to the fund pursuant to Section 183.1 of the Streets and Highways Code, the Controller shall transfer as an expenditure reduction to the General Fund any amount necessary to offset the cost of current year debt service payments made from the General Fund on any bonds issued pursuant to Proposition 116 (1990). These funds may also be used to redeem or defease the applicable bonds, pursuant to Section 16774, maturing in a subsequent fiscal year as directed by the Director of Finance.~~

~~(e)~~

~~(d) From moneys transferred to the fund pursuant to Section 99315 of the Public Utilities Code and subdivisions subdivision (a) and, (b), or (c) of Section 9400.4 of the Vehicle Code, or pursuant to Section 16965.1 or 63048.67, the Controller shall transfer as an expenditure reduction to the General Fund any amount necessary to offset the cost of current year debt service payments made from the General Fund on any bonds issued~~

pursuant to Proposition 108 (1990) and Proposition 1A (2008), and one-quarter of the amount of current year debt service payments made from the General Fund on any bonds issued pursuant to Proposition 1B (2006). The Department of Finance shall notify the Controller by July 30 of every year of the percentage of debt service that is expected to be paid in that fiscal year on bond-funded projects that qualify as eligible guideway projects consistent with the requirements applicable to the expenditure of revenues under Article XIX of the California Constitution. *These funds may also be used to redeem or defease the applicable bonds, pursuant to Section 16774, maturing in a subsequent fiscal year as directed by the Director of Finance.*

(f)

(e) On or before the second business day following the date on which transfers are made to the Transportation Debt Service Fund, the Controller shall transfer ~~those~~ *the funds designated for bond debt service in that month* from the fund to the General Fund pursuant to this section.

SEC. 2. *Section 16965.1 is added to the Government Code, to read:*

16965.1. (a) (1) *The loan repayment dates relative to State Highway Account loans to the General Fund that are specified in the provisional language of the following Budget Act items are hereby eliminated, and the Director of Finance may repay any remaining portion of the outstanding balance of these loans in any year in which the director determines the funds are needed to reimburse the General Fund for debt service or to redeem or defease bonds maturing in a subsequent fiscal year, provided that the loans shall be repaid no later than June 30, 2021:*

(A) *Item 2660-011-0042 of Section 2.00 of the Budget Act of 2010 (SB 870, Chapter 712 of the Statutes of 2010).*

(B) *Item 2660-013-0042 of Section 2.00 of the Budget Act of 2010, as added by Section 6 of SB 84 (Chapter 13 of the Statutes of 2011).*

(C) *Item 2660-013-0042 of Section 2.00 of the Budget Act of 2011, as contained in SB 69 of the 2011–12 Regular Session, if that provision is enacted.*

(2) *All funds loaned pursuant to the provisions referenced in subparagraphs (A), (B), and (C) of paragraph (1) are hereby determined to have been from weight fee revenues in the State*

1 *Highway Account fund balance. Upon repayment of those loans*
2 *to the State Highway Account, those funds shall be immediately*
3 *transferred by the Controller to the Transportation Debt Service*
4 *Fund for use pursuant to Section 16965.*

5 *(b) The loan repayment date relative to the Public*
6 *Transportation Account that is specified in the provisional*
7 *language in Item 2660-011-0046 of Section 2.00 of the Budget Act*
8 *of 2010 (SB 870, Chapter 712 of the Statutes of 2010), is hereby*
9 *eliminated, and the loan pursuant to this item shall instead be*
10 *repaid by June 30, 2021.*

11 *SEC. 3. Section 63048.67 is added to the Government Code,*
12 *to read:*

13 *63048.67. The loans made from the State Highway Account*
14 *through the Traffic Congestion Relief Fund to the General Fund*
15 *that are referenced in clause (i) of subparagraph (A) of paragraph*
16 *(1) of subdivision (c) of Section 63048.65 are hereby determined*
17 *to have been from weight fee revenues in the State Highway*
18 *Account fund balance. Any repayments made to the State Highway*
19 *Account pursuant to subdivision (e) of Section 63048.65, upon*
20 *transfer of those funds to the State Highway Account, shall be*
21 *immediately transferred by the Controller from the State Highway*
22 *Account to the Transportation Debt Service Fund for use pursuant*
23 *to Section 16965.*

24 *SEC. 4. Section 167 of the Streets and Highways Code is*
25 *amended to read:*

26 *167. (a) Funds in the State Highway Account in the State*
27 *Transportation Fund shall be programmed, budgeted subject to*
28 *Section 163, and expended to maximize the use of federal funds*
29 *and shall be based on the following sequence of priorities:*

30 *(1) Operation, maintenance, and rehabilitation of the state*
31 *highway system.*

32 *(2) Safety improvements where physical changes, other than*
33 *adding additional lanes, would reduce fatalities and the number*
34 *and severity of injuries.*

35 *(3) Transportation capital improvements that expand capacity*
36 *or reduce congestion, or do both.*

37 *(4) Environmental enhancement and mitigation programs.*

38 *(b) With respect to the funds in the State Highway Account, in*
39 *the Public Transportation Account, and in the Passenger Rail Bond*
40 *Fund, the proposed budget shall be organized on a program basis.*

1 The proposed budget shall list the proposed expenditures for the
2 transportation program under the following program elements:

- 3 (1) Administration.
- 4 (2) Program development.
- 5 (3) Maintenance.
- 6 (4) State highway operation and protection.
- 7 (5) Local assistance.
- 8 (6) Interregional improvements.
- 9 (7) Regional improvements.
- 10 (8) Environmental enhancement and mitigation programs.

11 (c) State operations expenditure amounts of the department for
12 interregional and regional transportation improvement projects
13 shall be listed as required by subdivision (b) of Section 14529 of
14 the Government Code, but those amounts other than those for the
15 acquisition of rights-of-way and construction shall not be subject
16 to allocation by the commission.

17 (d) To align the annual budget with the adopted state
18 transportation improvement program, the department may submit
19 to the Department of Finance revised capital outlay support and
20 capital outlay budget estimates as part of its May Revision process.
21 Budget proposals related to these changes shall be provided to the
22 Legislature no later than May 1.

23 (e) The budget shall not include specific appropriations for
24 specific transportation improvement projects, and the Legislature
25 shall not enact legislation containing specific individual
26 transportation projects.

27 (f) The basis for defining major and minor capital outlay projects
28 shall be established by the commission.

29 (g) The Legislative Analyst shall prepare an analysis of the
30 proposed expenditures for each program element as a part of the
31 budget analysis.

32 (h) The department shall submit to the Legislative Analyst, and
33 the Senate Committee on Budget and Fiscal Review and the
34 Assembly Committee on Budget, on an annual basis, supplemental
35 information to substantiate the department's proposed capital outlay
36 support budget. The information shall be provided no later than
37 May 1 of each year, and may be provided at an earlier date. The
38 information shall include, but not be limited to, the following:

1 (1) A list of projects for which the department will perform
2 capital outlay support work in the budget year. For each project,
3 the department shall include:

4 (A) The planned project support budget for support of
5 environmental, design, right-of-way, and construction phases.

6 (B) The planned capital costs, including construction capital
7 costs and right-of-way capital costs.

8 (C) The estimated or actual construction start date *and*
9 *completion date*.

10 (D) The name and year of the state transportation program in
11 which the project is programmed, if applicable.

12 (E) Total prior fiscal year expenditures for capital outlay support.

13 (F) The number of full-time equivalent positions requested to
14 perform support of environmental, design, right-of-way, and
15 construction work in the fiscal year of the budget request.

16 (G) Milestones of project work by phases that are planned to
17 be completed in the fiscal year of the budget request.

18 (H) *The ratio of support to capital costs based on current*
19 *programming*.

20 (2) The capital-to-support ratio for all projects completed in the
21 prior fiscal year in each program in each district.

22 (3) The current total number of authorized and vacant positions
23 in the capital outlay support program in headquarters and in each
24 district.

25 (4) A five-year projection of the department's staffing needs to
26 support the state's transportation capital programs and any
27 workload performed by the department related to federal or local
28 funding for highway capital projects.

29 (5) The average cost of a personnel-year equivalent in each
30 district based on the department's existing contracts for capital
31 outlay support work performed by a private company under
32 contract with the department. For each average cost, the department
33 shall provide a description of what factors are included in that cost.

34 (6) The average cost of a state staff personnel-year in the capital
35 outlay support program in each district and in headquarters. The
36 cost shall include the salary and wages, benefits, program overhead,
37 administrative overhead, and other associated costs. The
38 department shall provide a description of each component of the
39 average cost.

1 (7) *A summary of expected capital outlay support workload for*
2 *the budget year that includes the following:*

3 (A) *The total full-time equivalents requested for each type of*
4 *the following activities: environmental, design, right-of-way, and*
5 *construction.*

6 (B) *The total full-time equivalents requested for each type of*
7 *project, including, but not limited to, the state transportation*
8 *improvement program, the state highway operation and protection*
9 *program, bond programs, regional and local agency partnership*
10 *workload, and any other program.*

11 (8) *The total number of projects with requested resources, as*
12 *well as the number of projects in which the department is limited*
13 *to an oversight role.*

14 (9) *The number of milestones scheduled, including*
15 *environmental, design, right-of-way, and construction deliverables,*
16 *as well as the number of projects expected to begin construction*
17 *and reach completion.*

18 (10) *A summary for the most recently completed fiscal year for*
19 *the following:*

20 (A) *Full-time equivalents and related funding expended,*
21 *including support of environmental, design, right-of-way, and*
22 *construction activities.*

23 (B) *Approved and filled positions as of the end of the fiscal year.*

24 SEC. 5. *Section 2103 of the Streets and Highways Code is*
25 *amended to read:*

26 2103. (a) Of the net revenues deposited to the credit of the
27 Highway Users Tax Account that are derived from the increases
28 in the rates of taxes that are imposed pursuant to subdivision (b)
29 of Section 7360 and Section 7361.1 of the Revenue and Taxation
30 Code, all of the following shall occur on a monthly basis:

31 (1) (A) By the 15th day of every month, the Treasurer's office,
32 in consultation with the Department of Finance, shall notify the
33 Controller of the amount of debt service that will be paid on each
34 transportation bond during that month.

35 (B) Within two business days following the 28th day of each
36 month, the Controller shall transfer to the Transportation Debt
37 Service Fund an amount equal to the amount of monthly debt
38 service paid by the General Fund on any bonds issued pursuant to
39 the Seismic Retrofit Bond Act of 1996 (Chapter 12.48
40 (commencing with Section 8879) of Division 1 of Title 2 of the

1 Government Code) or any other highway bonds, and three-quarters
2 of the amount of monthly debt service paid on any bonds issued
3 pursuant to the Highway Safety, Traffic Reduction, Air Quality,
4 and Port Security Bond Act of 2006 (Chapter 12.49 (commencing
5 with Section 8879.20) of Division 1 of Title 2) for reimbursement
6 of the General Fund for these costs. If revenues available pursuant
7 to this subdivision in any given month are insufficient to fully
8 reimburse the General Fund for the debt service payments made,
9 the first revenues available pursuant to this subdivision in the
10 following month or months shall be transferred to the
11 Transportation Debt Service Fund so that all debt service payments
12 made on these bonds from the General Fund in a given fiscal year
13 are fully reimbursed. However, no further transfers shall be made
14 pursuant to this subparagraph once the transfers for the months of
15 July to October, inclusive, in 2010 have been made. Any transfers
16 made from the net revenues identified in this paragraph for highway
17 bond debt service for months after October 2010 shall be reversed
18 and shall instead be made from weight fee revenues in the State
19 Highway Account, as described in subparagraph (D).

20 (C) Beginning November 2, 2010, the Controller shall transfer
21 to the State Highway Account within two business days following
22 the 28th day of each month all of the monthly net revenues
23 identified in subparagraph (B) that were designated for highway
24 bond debt service reimbursement but that have not been transferred,
25 or that were transferred by means of a transfer that was reversed,
26 pursuant to that subparagraph. *However, beginning July 1, 2011,*
27 *transfers made under this subparagraph during a fiscal year shall*
28 *not exceed the annual revenue generated from vehicle weight fees,*
29 *as determined by Sections 9400.4 and 42205 of the Vehicle Code,*
30 *at the rates in effect as of March 24, 2011, as determined by the*
31 *Director of Finance.* To the extent the Controller has distributed
32 any of those net revenues to cities and counties pursuant to
33 subparagraph (C) of paragraph (3) between November 2, 2010,
34 and the effective date of this subparagraph, the Controller shall
35 subsequently reduce the amount transferred to cities and counties
36 on a monthly basis pursuant to subparagraph (C) of paragraph (3)
37 and shall instead transfer these funds to the State Highway Account
38 until all of the revenues that would otherwise have been transferred
39 to the State Highway Account on and after November 2, 2010,
40 pursuant to this subparagraph have been so transferred.

(D) Any remaining amount of the highway bond debt service reimbursement authorized by this paragraph that has not been made pursuant to subparagraph (B) on and after November 2, 2010, shall instead be made pursuant to subdivisions (a) and (b) of Section 9400.4 of the Vehicle Code from revenues in the State Highway Account derived from weight fees deposited in the account pursuant to subdivision (e) of Section 9400.1 and Section 42205 of the Vehicle Code.

(2) (A) In the 2010–11 fiscal year, after the monthly transfer made pursuant to paragraph (1), the sum of fifty-four million one hundred sixty-seven thousand dollars (\$54,167,000) per month shall be held in the account for future appropriation by the Legislature.

(B) Notwithstanding any other provision of law, with respect to the monthly net revenues described in subparagraph (A), no further transfers of these revenues for the purpose of loans to the General Fund shall be made pursuant to Item 2660-011-0062 of Section 2.00 of the Budget Act of 2010 once the loan transfers for the months of July to October, inclusive, in 2010 have been made. *Notwithstanding the loan repayment date specified in the provisional language for that item, the funds loaned shall be repaid by June 30, 2021.* Any transfers made from the monthly net revenues in subparagraph (A) for months after October 2010 shall be reversed and shall instead be made from weight fee revenues in the State Highway Account, as described in subparagraph (D). The revenues from loan repayments shall be held in the Highway Users Tax Account for future appropriation by the Legislature.

(C) Beginning November 2, 2010, all of the monthly net revenues described in subparagraph (A) shall instead be transferred by the Controller to the State Highway Account within two business days following the 28th day of each month. To the extent that the Controller has distributed any of the revenues identified in this paragraph to cities and counties pursuant to subparagraph (C) of paragraph (3) between October 14, 2010, and the effective date of this subparagraph, the Controller shall subsequently reduce the amount transferred to cities and counties on a monthly basis pursuant to subparagraph (C) of paragraph (3) and shall instead transfer these funds to the State Highway Account until all of the revenues that would have been transferred to the General Fund as a loan pursuant to Item 2660-011-0062 of Section 2.00 of the

1 Budget Act of 2010 on and after November 2, 2010, have instead
2 been transferred to the State Highway Account.

3 (D) Any remaining amount of the loans to the General Fund
4 authorized pursuant to Item 2660-011-0062 of Section 2.00 of the
5 Budget Act of 2010 that has not been made pursuant to
6 subparagraph (B) on and after November 2, 2010, shall instead be
7 made pursuant to subdivisions (a) and (b) of Section 9400.4 of the
8 Vehicle Code from revenues in the State Highway Account derived
9 from weight fees deposited in the account pursuant to subdivision
10 (e) of Section 9400.1 and Section 42205 of the Vehicle Code.

11 (3) The Controller shall transfer any remaining net revenues
12 subject to this subdivision as follows:

13 (A) Forty-four percent shall be transferred to the State Highway
14 Account to fund projects in the State Transportation Improvement
15 Program that are consistent with Section 1 of Article XIX of the
16 California Constitution, except in the 2010–11 fiscal year, 50
17 percent shall be transferred for purposes of this subparagraph.

18 (B) Twelve percent shall be transferred to the State Highway
19 Account to fund projects in the State Highway Operation and
20 Protection Program, except in the 2010–11 fiscal year, no revenues
21 shall be transferred for purposes of this subparagraph.

22 (C) Forty-four percent shall be apportioned by the Controller
23 for local street and road purposes, except in the 2010–11 fiscal
24 year, 50 percent shall be transferred for purposes of this
25 subparagraph as follows:

26 (i) Fifty percent shall be apportioned by the Controller to cities,
27 including a city and county, in the proportion that the total
28 population of the city bears to the total population of all the cities
29 in the state.

30 (ii) Fifty percent shall be apportioned by the Controller to
31 counties, including a city and county, in accordance with the
32 following formulas:

33 (I) Seventy-five percent shall be apportioned among the counties
34 in the proportion that the number of fee-paid and exempt vehicles
35 that are registered in the county bear to the number of fee-paid and
36 exempt vehicles registered in the state.

37 (II) Twenty-five percent shall be apportioned among the counties
38 in the proportion that the number of miles of maintained county
39 roads in each county bear to the total number of miles of
40 maintained county roads in the state. For the purposes of

1 apportioning funds under this subparagraph, any roads within the
2 boundaries of a city and county that are not state highways shall
3 be deemed to be county roads.

4 (b) After the transfers or other actions pursuant to subdivision
5 (a), at least 90 percent of the balance deposited to the credit of the
6 Highway Users Tax Account in the Transportation Tax Fund by
7 the 28th day of each month shall be apportioned or transferred, as
8 applicable, by the Controller by the second working day thereafter,
9 except for June, in which case the apportionment or transfer shall
10 be made the same day. These apportionments or transfers shall be
11 made as provided for in Sections 2104 to 2122, inclusive. If
12 information is not available to make the apportionment or transfer
13 as required, the apportionment or transfer shall be made on the
14 basis of the information of the previous month. Amounts not
15 apportioned or transferred shall be included in the apportionment
16 or transfer of the subsequent month.

17 (c) Notwithstanding any other law, the funds apportioned by
18 the Controller to cities and counties pursuant to subparagraph (C)
19 of paragraph (3) of subdivision (a) are not subject to Section 7104
20 or 7104.2 of the Revenue and Taxation Code. These funds may
21 be expended for any street and road purpose consistent with the
22 requirements of this chapter.

23 *SEC. 6. Section 2413 of the Vehicle Code is amended to read:*

24 2413. (a) The Commissioner of the California Highway Patrol
25 is designated as the Statewide Vehicle Theft Investigation and
26 Apprehension Coordinator. The commissioner may establish
27 vehicle theft prevention, investigation, and apprehension programs.
28 The commissioner may assist local, state, and federal law
29 enforcement agencies by coordinating multijurisdictional vehicle
30 theft investigations and may establish programs to improve the
31 ability of law enforcement to combat vehicle theft.

32 (b) *The Department of the California Highway Patrol may retain*
33 *license plate data captured by a license plate reader (LPR) for no*
34 *more than 60 days, except in circumstances when the data is being*
35 *used as evidence or for all felonies being investigated, including,*
36 *but not limited to, auto theft, homicides, kidnaping, burglaries,*
37 *elder and juvenile abductions, Amber Alerts, and Blue Alerts.*

38 (c) *The Department of the California Highway Patrol shall not*
39 *sell LPR data for any purpose and shall not make the data*
40 *available to an agency that is not a law enforcement agency or an*

1 individual who is not a law enforcement officer. The data may be
2 used by a law enforcement agency only for purposes of locating
3 vehicles or persons when either are reasonably suspected of being
4 involved in the commission of a public offense.

5 (d) The Department of the California Highway Patrol shall
6 monitor internal use of the LPR data to prevent unauthorized use.

7 (e) The Department of the California Highway Patrol shall, as
8 a part of the annual automobile theft report submitted to the
9 Legislature pursuant to subdivision (b) of Section 10901, report
10 the LPR practices and usage, including the number of LPR data
11 disclosures, a record of the agencies to which data was disclosed
12 and for what purpose, and any changes in policy that affect privacy
13 concerns.

14 SEC. 7. Section 9400.4 of the Vehicle Code is amended to read:

15 9400.4. Weight fee revenue deposited into the State Highway
16 Account pursuant to subdivision (e) of Section 9400.1 and Section
17 42205 shall be used as follows:

18 (a) For the 2010–11 fiscal year, seven hundred fifty-six million
19 three hundred ninety-six thousand dollars (\$756,396,000) is hereby
20 appropriated from weight fee revenues in the State Highway
21 Account for transfer to the General Fund as transportation bond
22 debt service reimbursement and loans as follows:

23 (1) The Controller shall transfer all weight fee revenues
24 deposited into the State Highway Account in any month to the
25 Transportation Debt Service Fund for transfer to the General Fund
26 as reimbursement for debt service costs until all of the debt service
27 paid on transportation bonds for projects that the Director of
28 Finance indicates qualify for reimbursement as provided for in
29 Section 16965 of the Government Code have been reimbursed.

30 (2) After the Director of Finance has notified the Controller that
31 all debt service costs for the 2010–11 fiscal year have been
32 reimbursed, the Controller shall transfer any remaining monthly
33 weight fee revenues in the State Highway Account to the General
34 Fund as a loan until the full amount appropriated in this subdivision
35 has been transferred to the General Fund. ~~Of the net amount loaned~~
36 ~~in the 2010–2011 fiscal year, two hundred five million eighty-one~~
37 ~~thousand dollars (\$205,081,000) shall be repaid by June 30, 2014,~~
38 ~~one hundred forty-four million four hundred forty-four thousand~~
39 ~~dollars (\$144,444,000) shall be repaid by June 30, 2015, and any~~
40 ~~remaining balance of the loan shall be repaid by June 30, 2016~~

1 *The Director of Finance may repay any remaining portion of the*
2 *outstanding balance of this loan in any year in which the Director*
3 *of Finance determines the funds are needed to reimburse the*
4 *General Fund for current year transportation bond debt service*
5 *or to redeem or defease those bonds, pursuant to Section 16774*
6 *of the Government Code, maturing in a subsequent fiscal year,*
7 *provided that the loans shall be repaid no later than June 30, 2021.*
8 *All funds loaned pursuant to this section, upon repayment to the*
9 *State Highway Account, shall be immediately transferred by the*
10 *Controller to the Transportation Debt Service Fund for use*
11 *pursuant to Section 16965 of the Government Code.*

12 (3) By June 15, 2011, the Director of Finance in consultation
13 with the Treasurer shall notify the Controller regarding the final
14 amount of debt service paid from the General Fund during the
15 2010–11 fiscal year pursuant to Section 16965 of the Government
16 Code and shall direct the Controller to reverse and adjust any
17 transfers made as debt service reimbursements or loans so that a
18 maximum amount of transfers are made for debt service
19 reimbursements and with any loan amounts limited to the
20 difference between this amount and the total amount appropriated
21 in this subdivision. The total amount of weight fee revenues
22 transferred from the State Highway Account for the 2010–11 fiscal
23 year shall not be greater than the total amount of weight fee
24 revenues deposited into the State Highway Account for that year.

25 (4) With respect to transfers or portions of transfers that cannot
26 be made in any given month if weight fee revenues are insufficient,
27 the first weight fee revenues available in the following month or
28 months shall be used to complete the transfers for the previous
29 month or months prior to making additional transfers for later
30 months.

31 (b) For the 2011–12 fiscal year, eight hundred sixty-six million
32 three hundred thousand dollars (\$866,300,000) is hereby
33 appropriated from weight fee revenues in the State Highway
34 Account for transfer to the General Fund as debt service
35 reimbursement and loans as follows:

36 (1) The Controller shall transfer all weight fee revenues
37 deposited into the State Highway Account in any month to the
38 Transportation Debt Service Fund for transfer to the General Fund
39 as reimbursement for debt service costs until all of the debt service
40 paid on transportation bonds for projects that the Director of

1 Finance indicates qualify for reimbursement as provided for in
2 Section 16965 of the Government Code have been reimbursed.

3 (2) After the Director of Finance has notified the Controller that
4 all debt service costs for the 2011–12 fiscal year have been
5 reimbursed, the Controller shall transfer any remaining monthly
6 weight fee revenues in the State Highway Account to the General
7 Fund as a loan until the full amount appropriated in this subdivision
8 has been transferred to the General Fund. ~~This loan shall be repaid~~
9 ~~by June 30, 2015. The Director of Finance may repay any portion~~
10 ~~of the balance of this loan in any year in which the Director of~~
11 ~~Finance determines the funds are needed to reimburse the General~~
12 ~~Fund for current year transportation bond debt service or to~~
13 ~~redeem or defease those bonds, pursuant to Section 16774 of the~~
14 ~~Government Code, maturing in a subsequent year, provided that~~
15 ~~the loans shall be repaid no later than June 30, 2021. All funds~~
16 ~~loaned pursuant to this section, upon repayment to the State~~
17 ~~Highway Account, shall be immediately transferred by the~~
18 ~~Controller to the Transportation Debt Service Fund for use~~
19 ~~pursuant to Section 16965 of the Government Code.~~

20 (3) By June 15, 2012, the Director of Finance in consultation
21 with the Treasurer shall notify the Controller regarding the final
22 amount of debt service paid from the General Fund during the
23 2011–12 fiscal year pursuant to Section 16965 of the Government
24 Code and shall direct the Controller to reverse and adjust any
25 transfers made as debt service reimbursements or loans so that a
26 maximum amount of transfers are made for debt service
27 reimbursements and with any loan amounts limited to the
28 difference between this amount and the total amount appropriated
29 in this subdivision. The total amount of weight fee revenues
30 transferred from the State Highway Account for the 2011–12 fiscal
31 year shall not be greater than the total amount of weight fee
32 revenues deposited into the State Highway Account in that year.

33 (4) With respect to transfers or portions of transfers that cannot
34 be made in any given month if weight fee revenues are insufficient,
35 the first weight fee revenues available in the following month or
36 months shall be used to complete the transfers for the previous
37 month or months prior to making additional transfers for later
38 months.

39 (c) (1) Starting with the 2012–13 fiscal year and every year
40 thereafter, all weight fee revenues deposited into the State Highway

1 Account in any month shall be transferred to the Transportation
2 Debt Service Fund *and are hereby appropriated* for transfer to the
3 General Fund by the Controller as reimbursement for debt service
4 costs until all of the debt service paid on transportation bonds that
5 the Director of Finance indicates qualify for reimbursement as
6 provided for in Section 16965 of the Government Code ~~have~~ *has*
7 been reimbursed, *or to redeem or defease bonds, pursuant to*
8 *Section 16774 of the Government Code, referenced in subdivision*
9 *(b) or (c) of Section 16965 of the Government Code that are*
10 *maturing in a subsequent year.* By June 15 of each year the
11 Director of Finance in consultation with the Treasurer shall notify
12 the Controller regarding the final amount of debt service paid from
13 the General Fund during that fiscal year pursuant to Section 16965
14 of the Government Code and shall direct the Controller to reverse
15 or adjust any transfers made as debt service reimbursements so
16 that a maximum amount of transfers are made for debt service
17 reimbursements. The total amount of weight fee revenues
18 transferred from the State Highway Account in any fiscal year
19 shall not be greater than the total amount of weight fee revenues
20 deposited into the State Highway Account in that year.

21 (2) With respect to transfers or portions of transfers that cannot
22 be made in any given month if weight fee revenues are insufficient,
23 the first weight fee revenues available in the following month or
24 months shall be used to complete the transfers for the previous
25 month or months prior to making additional transfers for later
26 months.

27 *SEC. 8. Section 38 of Chapter 6 of the Statutes of 2011 is*
28 *amended to read:*

29 Sec. 38. Of the amounts appropriated in Items 2665-004-6043,
30 2665-304-0890, 2665-304-6043, 2665-305-0890, and
31 2665-305-6043 of Section 2.00 of the Budget Act of 2011, ~~25~~ 50
32 percent of the total amount shall be available for expenditure only
33 after the submittal of a report to the Joint Legislative Budget
34 Committee and a 60-day review period, or not sooner than
35 whatever lesser time the Chairperson of the Joint Legislative
36 Budget Committee, or his or her designee, may determine. The
37 High-Speed Rail Authority shall have discretion concerning how
38 the ~~25~~ 50 percent in restricted expenditures is allocated among the
39 five items of appropriation listed above. The authority shall submit

1 the report no later than October 14, 2011. The report shall include,
2 but not necessarily be limited to, all of the following:

3 (a) A complete legal analysis of the revenue guarantee or other
4 mechanisms to reduce the operator's risk that the authority
5 indicates it would provide to the operator. To mitigate risk, the
6 authority shall provide an analysis of the revenue contribution to
7 the project from the private operator with and without a revenue
8 guarantee or other mechanism to reduce the operator's risk. The
9 authority shall discuss alternative financing approaches to make
10 up for any lost revenue in the case of no revenue guarantee or other
11 mechanisms to reduce the operator's risk.

12 (b) A financial plan update with alternative funding scenarios.
13 To mitigate risk, the authority shall report on alternative funding
14 options if no significant federal funds are received ~~beyond the~~
15 ~~federal American Recovery and Reinvestment Act of 2009 (Public~~
16 ~~Law 111-5)~~ and no revenue guarantee or other mechanisms to
17 reduce the operator's risk are allowable. The plan shall also include
18 construction alternatives for a constrained funding environment,
19 including what investments would be made and construction
20 completed if the nonbond resources only equal bond funding.

21 (c) *A public outreach plan for the Bakersfield to Los Angeles*
22 *segment.*

23 (d) *A formal response and full analysis of the April 18, 2011,*
24 *joint statement on California high-speed rail by congressional and*
25 *state officials.*

26 (e) *A formal response and full analysis of the issues raised in*
27 *the May 10, 2011, report by the Legislative Analyst entitled*
28 *"High-Speed Rail Is at a Critical Juncture."*

29 SEC. 9. (a) *Notwithstanding subdivision (f) of Section 7104.2*
30 *of the Revenue and Taxation Code, the City of Santa Rosa shall*
31 *have until June 30, 2015, to meet the maintenance of effort*
32 *requirement applicable to cities in order to receive a streets and*
33 *roads allocation from the Transportation Investment Fund for the*
34 *2009–10 fiscal year.*

35 (b) *The Legislature finds and declares that a special law is*
36 *necessary and that a general law cannot be made applicable within*
37 *the meaning of Section 16 of Article IV of the California*
38 *Constitution because of the unique transportation funding needs*
39 *in the City of Santa Rosa.*

~~SECTION 1. It is the intent of the Legislature to enact statutory changes relating to the Budget Act of 2011.~~

Text—Page 20.